

State Pupil Transportation Aid Program Proposal

Issue

State pupil transportation categorical aid is based upon a flat annual amount per transported student that has been unchanged since 1980-81. Payments are based upon the distance a student travels to school from home. In addition to significantly increased transportation costs over the past 20+ years (labor, maintenance, insurance, fuel, etc.), state pupil transportation aid itself has not been increased in nearly 15 years. Further, large rural districts that transport pupils significant distances (over 12 miles) have been most hard hit due to the longer bus routes they often incur. The current appropriation represents less than 10 percent of total school district transportation costs on a statewide basis. Individual district transportation costs in some districts exceed \$1,000 per pupil.

Proposal

Double the state statutory reimbursement rates to reflect increased costs of transporting pupils in all districts, and provide even higher reimbursement rates to districts transporting pupils the farthest distances (over 12 miles):

Distance	Current Rate Per Pupil (Full Year)	Proposed Rate Per Pupil (Full Year)
0-2 miles (hazardous areas)	\$12	\$24
2-5	\$30	\$60
5-8	\$45	\$90
8-12	\$60	\$120
12-15	\$68	\$200
15-18	\$75	\$200
18 plus miles	\$85	\$200

Impact

- The proposal would double state pupil transportation categorical aid to virtually all school districts (5-6 districts do not claim pupil transportation aid) to better address increasing school district transportation costs.
- The proposal would provide even greater levels of reimbursement to the 284 districts in the state that transport pupils over 12 miles each way. Many of these districts are in rural areas of the state.

State/Local Fiscal Effect

Estimated State Cost in 2005-06	\$40-42 million annually
Current Appropriation	\$17.7 million General Purpose Revenue (GPR) annually
Proposed Annual Increase	\$23-25 million annually

- No direct local fiscal effect; however, to the extent new state aid would cover costs currently incurred under revenue limits, districts would have funds “freed up” to use for other purposes (i.e. classroom).